

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 17:

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Title 46 of the Official Code of Georgia Annotated, relating to public utilities and
2 public transportation, so as to specifically authorize telephone cooperatives and their
3 broadband affiliates to provide broadband services; to provide for and revise certain
4 definitions; to limit recovery from the Universal Access Fund under certain conditions; to
5 authorize certain financing and partnerships for the provision of broadband services; to
6 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
7 for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Title 46 of the Official Code of Georgia Annotated, relating to public utilities and public
11 transportation, is amended by revising Code Section 46-5-61, relating to declaration of
12 purpose related to the "Rural Telephone Cooperative Act," as follows:

13 "46-5-61.

14 Cooperative nonprofit corporations may be organized under this part for the purpose of
15 furnishing telephone service in rural areas to the widest practicable number of users of such
16 service. In addition to furnishing telephone service, such cooperative nonprofit
17 corporations may also furnish broadband services directly or indirectly through a
18 contractual arrangement or through a broadband affiliate."

19 **SECTION 2.**

20 Said title is further amended in Code Section 46-5-62, relating to definitions relative to the
21 "Rural Telephone Cooperative Act," by revising paragraph (3) and adding two new
22 paragraphs to read as follows:

23 "(.1) 'Broadband affiliate' means any person which directly or indirectly controls, is
24 controlled by, or is under common control of one or more cooperatives and which is used
25 to provide broadband services.

(.2) 'Broadband services' means a wired or wireless service that consists of the capability to transmit data to and from end users and in combination with such service provides:

(A) Access to the internet; or

(B) Computer processing, information storage, or protocol conversion.

Such term shall include any facilities and equipment associated with such a service and any application or information content to be provided over such a service."

"(3) 'Rural area' means any area within this state which is located outside:

(A) The boundaries of an incorporated or unincorporated city, town, village, or borough having a population in excess of ~~1,500~~ 15,000 inhabitants according to the last preceding federal census; and

(B) Any suburban or populated area contiguous to the boundaries of any such city, town, village, or borough, which area has a common economic, social, or administrative interest with any such city, town, village, or borough."

SECTION 3.

Said title is further amended in Code Section 46-5-63, relating to powers of cooperatives generally, by revising paragraph (5) and adding three new paragraphs to read as follows:

"(4.1) To furnish, improve, and expand broadband services. Such broadband services may be furnished separately from telephone service or in conjunction with telephone service and may be furnished in areas that are the same or in areas that are different from those to which the cooperative furnishes telephone service; provided, however, that unless otherwise provided in Code Section 46-5-167, none of the costs of providing broadband services shall be eligible for recovery from the Universal Access Fund provided for in Code Section 46-5-167;

(4.2) To apply for, accept, repay, and utilize loans, grants, and other financing from any person or from the federal government or any state, or any department or agency thereof, to assist such cooperative or its broadband affiliate in the planning, engineering, construction, extension, provision, operation, repair, and maintenance of broadband services;

(4.3) To enter into contracts, agreements, partnerships, or other types of business relationships with any person or with the federal government or any state or local government, or any department or agency thereof, to assist such cooperative or its broadband affiliate in the planning, engineering, construction, extension, provision, operation, repair, and maintenance of broadband services;

(5) To construct, purchase, lease as lessee, or otherwise acquire; to improve, expand, install, equip, maintain, and operate; and to sell, assign, convey, lease as lessor, mortgage, pledge, or otherwise dispose of or encumber telephone lines, facilities, systems, lands,

62 buildings, structures, plants, equipment, exchanges, and any other real or personal
63 property, whether tangible or intangible, which shall be deemed necessary, convenient,
64 or appropriate to accomplish the purpose for which the cooperative is organized, provided
65 that no cooperative shall construct, purchase, lease as lessee, take, receive, or otherwise
66 acquire, improve, expand, install, equip, maintain, or operate any telephone lines,
67 facilities, systems, lands, buildings, structures, plants, equipment, exchanges, or any other
68 real or personal property, whether tangible or intangible, within (A) the boundaries of any
69 incorporated or unincorporated city, town, village, or borough within this state having a
70 population in excess of ~~1,500~~ 15,000 inhabitants according to the last preceding federal
71 census, and (B) any suburban or populated area contiguous to the boundaries of any such
72 city, town, village, or borough having a common economic, social, or administrative
73 interest within any such city, town, village, or borough;"

74 **SECTION 4.**

75 This Act shall become effective upon its approval by the Governor or upon its becoming law
76 without such approval.

77 **SECTION 5.**

78 All laws and parts of laws in conflict with this Act are repealed.